

**NORTH PARK REDEVELOPMENT
PROJECT AREA COMMITTEE (PAC)
REGULAR MEETING MINUTES**

Tuesday, March 9, 2010

San Diego National Bank (6th Floor), 3180 University Avenue, San Diego, CA
92104

Comments and PAC actions relating to items on today's agenda are noted herein.

I. ROLL CALL & INTRODUCTIONS

The chair convened the meeting at 6:04 p.m. A quorum was established.

Robert Bauer	Present	Judi O'Boyle	Present
Stephanie Cass	Absent	Lachlan Oliver	Present
Kirsten Clemons	Present	Travis Sizer	Absent
Patrick Edwards	Present	Robert Steppke	Present
Don Leichtling	Present	Mark Stern	Present
Roger Lewis	Present	James Tinsky	Present

II. ADOPTION OF AGENDA

Motion (Leichtling/Bauer): *Adopt the agenda with revisions to remove action item "B" at request of applicant thus moving items "C" through "E" up in the agenda order and postpone the discussion of Item "D" until the April meeting when 2010 board is seated.*
Passed (10-0-0)

III. APPROVAL OF MINUTES

Motion (O'Boyle/Leichtling): *Approve the draft February minutes with the following changes noted: 1) under "next agenda" item 'B' the address should say 3067 University Ave, 2) under the MAD report remove 1st sentence regarding trash cans.*
Passed (9-0-1) Tinsky abstaining

IV. ELECTED OFFICIALS REPORT

Anthony Bernal, representative of Council District 3, reported Councilmember Gloria is preparing a hiring policy for veterans which will likely be placed on the June ballot for voter approval. Mr. Gloria will appear March 20th at City Height's library and March 27th at Kensington Café for "Coffee with the council member". Bernal also noted the water pipe burst that occurred in late February and encouraged residents with unresolved issues or damage to contact the council office.

V. PUBLIC COMMENT

Leichtling announced a UAMP scoping meeting will be taking place. Liz Studebaker, of North Park Main Street, noted the entire plan is on the city's web site.

VI. CHAIR'S REPORT

Chair Clemons announced the UAMP scoping meeting to take place March 24th from 6 to 8 pm at the North Park Community Center and also announced that she and some local community members had discussed an increase in the ABC license fee for large clubs coming into the district. The discussion also included how to move “Action Items” forward, the potential for requesting emergency CUPs or NDPs, and better use of the parking garage. Clemons finally noted, the city council did not ratify the recent PAC elections this month and thanked outgoing board member Bob Bauer for his service.

VII. ACTION/DISCUSSION ITEMS

A. Request for Agency Assistance for Development of 2200 University Ave.

Clemons reviewed for the PAC the applicant’s request presented at the February meeting and reported on the ad-hoc sub-committee’s work with the applicants. She noted that other funding sources, aside from the project area were looked into. A proposal was reached and presented to the entire PAC that included a 7 year forgivable loan from the agency of \$318 K, (\$218K from tax exempt bond revenues for required street improvements and \$100 K in tax increment funding), as well as an additional non-forgivable loan of \$350K in TIF for a total PAC involvement of \$668K.

PAC Discussion:

Stern noted that a close examination was given to the expenses noting the committee felt the project was worthwhile and the project needed to be completed in it’s entirety. Edwards stated given that the PAC was funding a large portion of the total project costs he is concerned over not specifically identifying allowable funding expenditures for new building and not maintenance. Edwards noted he is supportive of a constant policy that defines this process for the future. Oliver expressed his feeling that because this action involved a private business, he felt more leeway is acceptable as opposed to funding for a not-for-profit venture. He also noted that the applicant had agreed to provide some services of benefit to the community. Edwards reiterated he would like to see a line by line budget detailing how the money is to be expended. Bauer noted that construction issues were reviewed and costs were tallied, such as the street improvements totaling \$218K and, additionally, that equipment was totaled and put in the category of non-PAC funded alternative funding sources. O’Boyle would like any motion to detail the funding associations. Clemons noted she would like board to come up with suggestions for the applicant regarding ways to provide greater community benefits.

Motion: (Edwards/Oliver): *PAC recommends funding to support the project not to exceed \$668K in the form of a \$318K forgivable loan comprised of \$100K in TIF funds and \$218K in tax exempt bond funds for the required street improvements and a \$350K loan of TIF funds contingent upon application for other funding from sources such as the neighborhood development fund or San Diego Regional Revolving Fund. Should other funding sources exceed the gap the estimated PAC commitment will decrease by the related amount.*

Passed (10-0-0)

B. Recommendation on Five Star Parking Entering into an Exclusive Service Agreement for a Private Shuttle Service.

Omar Passons of Sustainable Entertainment, presented a draft map of his “Park2Park” shuttle route that is planned to run on Thursday, Friday and Saturday evenings for a two week period in April. He hopes this endeavor will encourage more usage of the parking structure. The initial contract for PAC consideration is for the two week pilot period. The draft contract proposes the surface parking lot behind the theatre be closed during shuttle hours and that overnight parking be allowed in the garage. Passons also noted

that he is developing an inducement program to assist and encourage people not attempt driving home intoxicated.

Public Discussion:

A member of the public questioned what the break even revenue point is. Passons replied this is dependant upon the ridership as offset by promotion costs. In general they would like to have in excess of 100 riders per weekend. A member of the public expressed his support for elements of the proposal such as ride home program and use of the parking garage. David Cohen noted that currently a sign posted on the garage states no overnight parking is allowed and that the fee for lot parking is \$10 as opposed to \$5 for the garage.

PAC Discussion:

Edwards reminded the PAC that it's primary concern is with the agreement with Five Star and that the issue is sharing the revenue with another business entity generated from those parking in the garage and using the shuttle. Oliver noted the business plan should show projections that demonstrate how the parking garage income is benefited and raised a concern regarding how those using monthly passes are handled if they attempt to use the service. Passons noted that although he can't project, his premise is he is sharing revenue for those riders he is bringing to the garage in excess of usual use. Further, he responded he would give free passes to monthly permit users to start off with. Leichtling asked about security, specifically raising the issue of cameras and whether shuttle drivers will be noting what's going on in the neighbor on the streets. Passons responded that no cameras are planned at present and that while the drivers are to be solely focused on driving he does have an 'engagement specialist' on board who will take events on the streets and in the shuttle into consideration. Bauer suggested the closure of the surface lot is a good idea while considering the theater's ability to use it for staging. O'Boyle noted her support of the concept and for the closing of the surface lot. Stern noted his support for the project as an alternative for local residents but noted a concern about free overnight parking and also suggested a base number of shuttle-garage users before the shared amount kicks in. Tinsky asked about whether shuttle operations would apply to special events. Passons answered yes and noted some upcoming events. Lewis clarified that request being considered is for initial pilot contract only and asked Lengyel of the agency to detail the agency's position on revenues, the contract, and liability. Lengyel explained that the amount of money projected was less than the \$5K threshold to trigger the contract bid requirement. He also noted that when the theater is open some seniors have expressed they are more comfortable having the surface lot open allowing them to avoid using the elevators. He did note, however, that the better course would be to permanently close the lots and noted revenue currently is generated when lot is closed. Lengyel also noted that traffic could be increased by people coming into the garage to park but traveling onto South Park and thus not benefiting the local businesses. Lengyel responded that liability is certainly an issue but that risk may reside with the individual. Passons noted that since he is encouraging overnight parking, some risk may fall on him. Oliver asked about marketing plans for the two week period. Passons noted there will be news releases along with a newspaper article running and a public relations firm has been involved. Stern asked Lengyel whether we are looking at an overall net profit above current numbers. Lengyel answered the agency is considering there will be positive income generated. Clemons cautioned about the appearance that the PAC is supporting a no bid contract. Lengyel responded it shouldn't be an issue as the cost of this contract was under \$5K. Passons asked in general what he should expect on these issues when structuring a long term contract. Lengyel said there were things that would be needed to reviewed and addressed. Stern noted the need to see real numbers for future consideration. Voicing his support, Tinsky noted we should be so lucky to be discussing a proposal where revenues and services could be increased

Motion: (Leichtling/Stern): *Approve an agreement with Sustainable Entertainment for the two week trial period from April 22nd through May 2nd.*

Passed (9-0-1) Oliver abstaining due to business proximity

C. Consideration of Agency Acquisition of 3067 University Ave. for Private Development

Lengyel reviewed background information on the current for sale listing of the former 'Woolworth Building' and asked the PAC to provide guidance on whether the agency should pursue purchasing the property for purpose of issuing an RFP for future development.

Public Comment:

A question was asked regarding the status of surface lot behind building. Lengyel noted the surface lot is independently owned. Cumong Nguyen, part owner of the subject property, acknowledged his group's initial efforts to open a business, but now supports either leasing the building or selling it. He noted from his experience that large corporate entities would not be interested because of lack of associated parking.

PAC Comment:

Oliver asked about the seller's motivation and asked Mr. Nguyen, an owner, what was their group's original vision. Mr. Nguyen responded that it was originally planned as a multi-restaurant development. Lengyel noted he is not aware of any offer and feels the owners would be amenable. Lengyel was asked about the source of funding for purchasing the building. Lengyel responded that after an RFP process to bring in a tenant there eventually would be the possibility of a full tax increment tax base from full assessment. Lewis noted that a "re-sale" of the building would not be a part of his consideration for PAC involvement in purchasing the building. Lengyel noted any agency offer would not exceed the city's appraised value. Steppke noted former PAC member Dawn Griffin stated her reluctance to go forward with her initiative was due to excessive cost to refurbish. O'Boyle asked about status of JC Penney building. Lengyel noted although one of the original proposals was good there is no good option at this time.

Motion: (Leichtling/Edwards): *To recommend the agency move forward with an appraisal of the property.*

Passed (9-1-0) Steppke opposed

D. Consideration of Special Meeting PAC Meeting for Committee Discussion of Organization, Scope and Redevelopment Training.

Postponed until April meeting when new 2010 board is seated.

VIII. SUB-COMMITTEE/LIAISON REPORTS

A. Maintenance Assessment District (MAD)

Steppke reported MAD had no action items at its last meeting but talked about an expansion of cleanup services on University Ave. Also noted Urban Core was being paid \$55,626 for cleanup services per year, up from \$39,640 because service has been expanded over three full days, up from the current two days per week.

B. Project Area Streetscape Improvements

Leichtling noted the ad-hoc subcommittee is waiting for an estimate for maintenance to approach the MAD to request maintenance funding.

C. North Park Community Plan Update

Lewis deferred to Steppke to report on February meeting. Steppke reported the CPUAC committee reviewed photographs taken and comments provided by members at the February meeting and that there were no substantive decisions or recommendations made.

D. Green/Sustainability Initiatives

Stern noted there was nothing to report.

IX. STAFF REPORTS/PROJECT UPDATES

A. PAC Election results

Michael Lengyel, (agency), noted the February PAC election results was on this days council consent agenda. Lengyel handed out the monthly project spread sheet.

B. Garage Art Project

Lengyel stated the agency and artist will be finalizing contract next week.

C. Eminent Domain Extension Blight Analysis

Lengyel reported the contract was out for traffic consultant.

D. Other

Lengyel handed out a diagram of a proposed community space orientation in the Renaissance building that detailed exits, restrooms, a police office including a dedicated parking space. He also noted the property will be put out to bid for its sale to MHA and noted the timeline for opening is now September.

X. REQUESTS FOR NEXT AGENDA

- A. Café Colabria
- B. Theater mini park update
- C. Special PAC meeting (postponed item "D")
- D. Seating of new board members

XI. ADJOURNMENT

Motion (Stern/Tinsky): *To adjourn at 8:13 pm.*

Passed (10-0-0)